



City of Fresno
Monthly Financial Report
For the Nine Months Ended March 31, 2018
Unaudited – Intended for Internal Management Purposes Only
 (All figures in thousands)

GENERAL FUND AT-A-GLANCE

Category	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Revenues	317,750	197,098	62%	198,335
Expenditures	(307,419)	(216,025)	70%	(210,839)
Revenues Over (Under) Expenditures	10,331	(18,927)		(12,504)

GENERAL FUND REVENUES

Revenues	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Sales & Use Tax	84,518	59,503	70%	67,363
Prop. 172 Sales Tax	3,092	2,386	77%	2,486
Property Tax	126,531	68,234	54%	68,267
Business Tax	18,961	12,003	63%	11,067
Franchise Tax	13,487	4,593	34%	5,686
Other Local Taxes	13,641	10,618	78%	10,302
Card Room Receipts	1,092	766	70%	779
Charges for Services	16,670	11,614	70%	10,787
Development Fees	17,235	12,883	75%	12,261
Intergovernmental Revenues	6,334	6,428	101%	4,883
Intragovernmental Revenues	13,243	9,042	68%	6,941
Transfers In/Out	(18,303)	(20,939)	114%	(14,379)
All Other Revenue Sources	21,249	19,967	94%	11,892
Total General Fund Revenues	317,750	197,098	62%	198,335

ANALYSIS OF GENERAL FUND REVENUES

General Fund revenues for the nine months ended March 31, 2018 were \$197.1 million. This is a decrease of \$1.2 million, or -0.6%, below actual revenues during the first nine months of last fiscal year. Total revenues at the end of March 2018 are at 62.0% of the annual estimate for Fiscal Year 2018.

Sales Tax revenues during the first nine months decreased \$7.9 million (-11.7%) compared to the first nine months last fiscal year. This is primarily due to the receipt of \$10.2 million of prior year Sales Tax Swap during July 2016 for which similar revenue was not received in Fiscal Year 2018. Franchise Tax revenues during the nine months ended March 31, 2018 decreased \$1.1 million (-19.2%) compared to last year primarily due to timing of commercial solid waste and lower internet franchise fees.

Revenues other than taxes, which include Charges for Services, Development Fees, Intergovernmental and Intragovernmental Revenues, Transfers Out, and All Other Revenue Sources, will fluctuate from month to month depending upon various activity elements.

Intergovernmental Revenues during the first nine months increased \$1.5 million (31.6%) from the same period last year mostly due to State grants and reimbursements. Intragovernmental Revenues during the nine months ended March 31, 2018 increased \$2.1 million (30.3%) compared to the same period last fiscal year primarily due to increased variable and fixed reimbursements.

Transfers In/Out during the nine months ended March 31, 2018 were up \$6.6 million (45.6%) compared to the same time last year due differences of debt service obligations after the bond refunding in May 2017. All Other Revenue occurring in the first nine months of Fiscal Year 2018 increased \$8.1 million (67.9%) compared to the first nine months of last fiscal year mostly due to higher General Fund carryover.

As of March 31st, the City maintained \$23.9 million in the General Fund Emergency Reserve. \$3.2 million of those funds are associated with the repayment of loans made by the City to the former RDA which were received in July 2017. The use of this Reserve is restricted until such time as a declaration of a fiscal emergency is made by the Mayor and approved by Council or for temporary year-end cash balancing purposes in accordance with provisions in the Reserve Management Act.

GENERAL FUND EXPENDITURES BY DEPARTMENT

Expenditure Type	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Police Department	162,035	114,771	71%	110,216
Fire Department	61,118	43,747	72%	44,097
Parks, Recreation & Community Services	14,529	10,416	72%	10,145
Finance/Purchasing/Central Printing	6,940	5,003	72%	5,484
Public Works	10,479	6,594	63%	5,435
City Council Offices	3,789	2,218	59%	2,043
City Clerk's Office	813	602	74%	596
Office of the Mayor/City Manager/Budget	3,866	2,650	69%	1,770
Development and Resource Management (DARM)	27,759	17,862	64%	19,772
Personnel	3,112	2,278	73%	2,437
City Attorney's Office	5,645	4,123	73%	3,663
General City Purposes	12,281	5,761	47%	5,181
Attrition Savings	(4,947)	0	0%	0
Total General Fund Expenditures	307,419	216,025	70%	210,839

GENERAL FUND EXPENDITURES BY TYPE

Expenditure Type	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Salaries and Benefits Public Protection	172,250	123,965	72%	123,859
Salaries and Benefits Others	38,618	30,592	79%	28,876
Overtime Public Protection	4,387	5,124	117%	4,349
Overtime Others	64	97	152%	150
Pension Obligation Bonds	12,750	3,385	27%	3,552
Operations and Maintenance	38,544	25,621	66%	22,439
Interdepartmental Charges	32,185	23,336	73%	21,170
Capital	8,621	3,905	45%	6,444
Total General Fund Expenditures	307,419	216,025	70%	210,839

ANALYSIS OF GENERAL FUND EXPENDITURES

General Fund expenditures for the nine months ended March 31, 2018 were \$216.0 million. This is an increase of \$5.2 million (2.5%) from actual General Fund expenditures during the same period last fiscal year.

Comparing the first nine months this year with last year, the Police and Fire Departments experienced \$4.6 million (4.1%) increase and \$0.4 million (-0.8%) decrease respectively. The changes in those two departments' expenditures are primarily due to increased Police personnel costs, vehicle leases, fixed interdepartmental charges, and professional services, which were partially offset by savings in Fire personnel costs. Public Works expenditures increased \$1.2 million (21.3%) during the first nine months of Fiscal Year 2018 compared to the same period last fiscal year mostly due to contract construction, costs for rock and mineral products, and outside professional services. DARM experienced a \$1.9 million (-9.7%) decrease for the nine months ended March 31, 2018 compared to the same period last year mostly due to the purchase and licensing of new software last fiscal year.

Expenditures for Council Offices, the Clerk's Office, the Mayor/City Manager's Offices, Finance, City Attorney, and Personnel Departments were materially consistent with the amounts expended in the prior year, and are at acceptable levels in accordance with current year budget estimates. The Finance Department expenditures are down and Mayor/City Manager expenditures are up mostly due to the move of Budget Division to the Mayor/City Manager's Office in Fiscal Year 2018.

By category, Salaries/Benefits for Public Protection and Others increased \$0.1 million (0.1%) and \$1.7 million (5.9%) increase respectively. Operations and Maintenance for the first nine months of FY2018 is up \$3.2 million (14.2%) compared to the same period last year primarily due to equipment repairs, professional services, utilities, rock & mineral products, and lease expenditures. Interdepartmental Charges during the nine months ended March 31, 2018 increased \$2.2 million (10.2%) compared to the same period last year mainly due to increased fleet equipment leases and fixed charges.

Capital expenditures during the first nine months of Fiscal Year 2018 are down \$2.5 million (-39.4%) compared to last year due to last year's purchase of new software for DARM partially offset by increased costs for contract construction.

Expenditures are monitored and appropriations possibly adjusted throughout the year in accordance with economic conditions and the inflow of General Fund revenues.

ENTERPRISE OPERATING FUNDS

The following summarizes year-to-date revenues and expenditures for major City enterprises.

Enterprise Fund	Budget	YTD Actual	% of Budget	Prior Year
Community Sanitation				
Revenues	7,846	6,517	83%	6,823
Carryover	<u>5,266</u>	<u>5,810</u>	110%	<u>6,566</u>
Available Resources	13,112	12,327	94%	13,389
Expenditures	<u>(11,439)</u>	<u>(7,301)</u>	64%	<u>(5,788)</u>
Available Resources Over/(Under) Expenditures	<u>1,673</u>	<u>5,026</u>		<u>7,601</u>
Transportation/FAX				
Revenues	30,990	19,409	63%	9,916
Carryover	<u>3,459</u>	<u>1,411</u>	41%	<u>5,003</u>
Available Resources	34,449	20,820	60%	14,919
Expenditures	<u>(34,421)</u>	<u>(23,292)</u>	68%	<u>(21,549)</u>
Available Resources Over/(Under) Expenditures	<u>28</u>	<u>(2,472)</u>		<u>(6,630)</u>
Airport Operating				
Revenues	18,701	13,967	75%	12,026
Carryover	<u>23,623</u>	<u>24,328</u>	103%	<u>20,372</u>
Available Resources	42,324	38,295	90%	32,398
Expenditures	<u>(16,701)</u>	<u>(11,142)</u>	67%	<u>(10,362)</u>
Available Resources Over/(Under) Expenditures	<u>25,623</u>	<u>27,153</u>		<u>22,036</u>
Sewer System				
Revenues	74,461	47,914	64%	(53,124)
Carryover	<u>18,954</u>	<u>20,634</u>	109%	<u>101,318</u>
Available Resources	93,415	68,548	73%	48,194
Expenditures	<u>(92,569)</u>	<u>(41,574)</u>	45%	<u>(37,337)</u>
Available Resources Over/(Under) Expenditures	<u>846</u>	<u>26,974</u>		<u>10,857</u>
Solid Waste System				
Revenues	35,327	19,011	54%	21,503
Carryover	<u>3,257</u>	<u>3,521</u>	108%	<u>3,866</u>
Available Resources	38,584	22,532	58%	25,369
Expenditures	<u>(35,288)</u>	<u>(20,157)</u>	57%	<u>(19,779)</u>
Available Resources Over/(Under) Expenditures	<u>3,296</u>	<u>2,375</u>		<u>5,590</u>
Water System				
Revenues	98,658	85,000	86%	76,574
Carryover	<u>57,324</u>	<u>70,997</u>	124%	<u>51,176</u>
Available Resources	155,982	155,997	100%	127,750
Expenditures	<u>(105,641)</u>	<u>(54,764)</u>	52%	<u>(49,227)</u>
Available Resources Over/(Under) Expenditures	<u>50,341</u>	<u>101,233</u>		<u>78,523</u>

ANALYSIS OF ENTERPRISE OPERATING FUNDS

Actual revenues and expenditures for Enterprise Operations are recorded on the cash basis of accounting for monthly financial reporting purposes: meaning, revenues are recognized when the cash is received and expenses are recognized when the cash is paid. This can result in material timing differences, particularly when grants are involved. Most grants require the City to incur the expenditure before obtaining reimbursement from the granting agency. Transportation/FAX has significant grant-related revenue sources and will accordingly see the greatest impact as a result of these timing differences.

The budgeted figures for Fiscal Year 2018 were established to support the ongoing operations and anticipated capital improvements for each enterprise. The budgeted revenue figures include estimated carryover from the prior year. Actual carryover amounts from Fiscal Year 2017 to Fiscal Year 2018 are treated as a component of operating revenue and are detailed above. Because carryover is posted in August, early fiscal year Revenue results may appear high.

Community Sanitation carryover represents about 47.1% of total available resources during the first nine months of this fiscal year. Transportation/FAX revenues during the first nine months of this fiscal year are up \$9.5 million (95.7%) compared to the same period last fiscal year primarily due to increased funds from the State TDA program. Transportation/FAX carryover represents about 6.8% of total available resources during the first nine months of this fiscal year.

Airport Operating YTD Revenues for the first nine months of Fiscal Year 2018 increased \$1.9 million (16.1%) primarily due to reduced transfers out to other Airport funds, increased rental, concession, use and landing fees, and parking revenue. Airport Operating carryover represents about 63.5% of total available resources through March 31st.

Sewer System YTD Revenues for the period ended March 31, 2018 increased \$101.0 million (190.2%) mainly due to a transfer out last year to deposit funds into an escrow account to partially defease the Series 2008 Sewer bonds. Sewer System carryover represents about 30.1% of total available resources for the first nine months of this fiscal year.

Solid Waste YTD Revenues for the nine months ended March 31, 2018 decreased \$2.5 million (-11.6%) from the same period last fiscal year primarily due to increased transfer out to the Fleet Replacement fund. Solid Waste carryover represents about 15.6% of total available resources for the first nine months of this fiscal year.

Water System YTD Revenues for the first nine months of this fiscal year increased \$8.4 million (11.0%) primarily due to increased customer charges. Water System carryover represents about 45.5% of total available resources through March 31, 2018.

Community Sanitation expenditures during the first nine months of Fiscal Year 2018 increased \$1.5 million (26.1%) mostly due to costs for personnel, interdepartmental charges for projects, and specialized services. Transportation/FAX expenditures during the nine months ended March 31, 2018 increased \$1.7 million (8.1%) mostly due to costs for personnel, interdepartmental charges, and specialized services. Sewer System expenditures during the first nine months of Fiscal Year 2018 increased \$4.2 million (11.3%) compared to last fiscal year primarily due to contract construction. Water System expenditures during the nine months ended March 31, 2018 increased \$5.5 million (11.2%) compared to the same period last fiscal year mostly due to fees for water purchases, outside repairs of improvements, and engineering & design services.

CITY DEBT

Debt Source (in thousands)	Governmental	Business-Type	Principal Outstanding
Lease Revenue Bonds*:			
Various Capital Projects	\$25,570		\$25,570
No Neighborhood Left Behind/Selland Arena	15,580		15,580
Parks Impact Fee Projects	23,825	\$1,675	25,500
City Hall Chiller/Convention Center Improvements	2,710	15,215	17,925
Public Safety Impact Fee Projects	32,065		32,065
City Hall Refinancing/Bee Building/Granite Park	32,105		32,105
Exhibit Hall Expansion Project		17,978	17,978
Stadium Project		29,390	29,390
Judgment Bonds:			
Pension Obligation Bonds	131,840		131,840
Enterprise Bonds:			
Water		136,190	136,190
Sewer		176,915	176,915
Airport		49,455	49,455
Total Bonds	\$263,695	\$426,818	\$690,513
Notes and Loans:			
HUD – FMAAA	\$255		\$255
HUD – Neighborhood Streets and Parks	572		572
CIEDB – Roeding Business Park	1,639		1,639
SMG – Employee Benefits Cost Reimbursement		\$284	284
State Water Resources Control Board Loans		255,196	255,196
Clean Water – Southwest Quadrant		32,250	32,250
Safe Drinking Water Loans		43,508	43,508
Total Notes and Loans	\$2,466	\$331,238	\$333,704
Capital Leases	\$26,506		\$26,506
Total City Debt	\$292,667	\$758,056	\$1,050,723

*The outstanding principal of the Lease Revenue Bonds reflect balances after the bond refinancing completed in May 2017.

SUMMARY

This report is based on detailed information produced by the City’s Finance Department/Accounting Division. If you would like additional information, or have any questions about this report, please call 621-7001.